

UNITED STATES DISTRICT COURT
FOR THE DISTRCIT OF PUERTO RICO

In Re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.¹

PROMESA
TITLE III

CASE NO. 17-BK-3283 (LTS)

(Jointly Administered)

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**VERIFIED STATEMENT IN COMPLIANCE WITH REQUIREMENTS
UNDER THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES
ACT, PUB. L. NO. 117-82 (“PRRADA”) OF JOSÉ F. CARTAYA-MORALES, ESQ.,
LOCAL CONFLICTS COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF ALL TITLE III DEBTORS (OTHER THAN
COFINA)**

**TO THE HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE:**

José F. Cartaya-Morales, Esq., local conflicts counsel to the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”)² pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act hereby submits this Statement pursuant to the disclosure requirements set forth by the Puerto Rico Recovery Accuracy in Disclosures Act, Pub. L. No. 117-82 (hereinafter “PRRADA”) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, in accordance

² The Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”) engaged José F. Cartaya-Morales, Esq., as local counsel to GENOVESE JOBLOVE & BATTISTA, P.A. in connection with the following cases: (1) Case no. 19-00267-LTS – The Special Claims Committee of the Financial Over v Wal-mart Puerto Rico Inc.; (2) Case no. 19-00275-LTS The Special Claims Committee of the Financial Over v Casa Grande Interactive Communications, Inc.; (3) Case no. 19-00277-LTS The Special Claims Committee of the Financial Over v Great Educational Services Corporation; (4) Case no. 19-00278 The Special Claims Committee of the Financial Over v Mangual’s Office Cleaning Service Inc.; and (5) Case no. 19-00279-LTS The Special Claims Committee of the Financial Over v Eastern America Insurance Agency, Inc.

with this Honorable Court's directive in its Order Approving List of Material Interested Parties Pursuant to the Puerto Rico Recovery Accuracy in Disclosures Act [DN 20467]. In support of this Verified Statement, José F. Cartaya-Morales, Esq. respectfully sets forth the following:

A. Retention of José F. Cartaya-Morales, Esq.

1. José F. Cartaya-Morales, Esq. is a sole practitioner whose office is located at San Juan, Puerto Rico. Mr. Cartaya-Morales is experienced in civil litigation and trial work.
2. As set forth in the Order entered on July 19, 2019 (the "Retention Order") [DN 8151], the U.S. District Court for the District of Puerto Rico authorized the employment and retention of José F. Cartaya-Morales as local counsel to the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA).
3. Mr. Cartaya-Morales was selected to provide services to the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA), to serve as local conflicts counsel for the Committee in adversary proceedings to make "reasonable inquiries" and determine that any factual contentions have evidentiary support or are likely to have evidentiary support if further investigation or discovery is undertaken. Likewise, Mr. Cartaya-Morales needed to corroborate that all the legal contentions contained in papers were to be signed by him were warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law.
4. Mr. Cartaya-Morale's compensation was set at a fixed fee of \$250.00 per hour, plus valid reimbursed expenses, unless changed in writing and signed by the Executive Director of the Board.

B. Professional Services rendered by Mr. José F. Cartaya-Morales, Esq.

5. José F. Cartaya-Morales, Esq. actively engaged:

- a) in the process of communication with co-counsels with regards to strategy and case management planning,
- b) participated in case management and administration related tasks per team agreement and direction,
- c) in the drafting, reviewing, filing, and follow-up of avoidance actions,
- d) in calls with co-counsels to provide status reports and recommendations for specific actions,
- e) in periodic follow-up discussions with co-counsels regarding case issues,
- f) prepared and submitted Monthly Fee Statements and corresponding Objection Statements.

9. In sum, the services rendered by José F. Cartaya-Morales, Esq. have been and continue to be necessary and beneficial to the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA), have been and continue to be reasonable considering the value of such services to the Committee, and have been and continue to be performed with skill and expertise.

C. Connections of Mr. José F. Cartaya-Morales, Esq. to Material Interested Parties pursuant to Amended List of Material Interested Parties approved at *DN 20467*.

10. Schedule 1: Debtors

José F. Cartaya-Morales, Esq. hereby discloses that, being a domiciled resident of Puerto Rico, the Puerto Rico Electric Power Authority (PREPA), by default, provides him with electric power service.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no further connections with the parties or people listed herein.

11. Schedule 2: Current Oversight Board Executive Director, Members, and Staff

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

12. Schedule 3: United States Trustee Personnel for the District of Puerto Rico

José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

13. Schedule 4: Retained Professionals

Schedule 4(A) Professionals Retained in Commonwealth Title III Case

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein. José F. Cartaya-Morales, Esq. further certifies that he appears on this list as a retained professional.

Schedule 4(B) Professionals Retained in ERS Title III Case

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein. José F. Cartaya-Morales, Esq. further certifies that he appears on this list as a retained professional.

Schedule 4(C) Professionals Retained in PBA Title III Case

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 4(D) Professionals Retained in PREPA Title III Case

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 4(E) Professionals Retained in HTA Title III Case

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

14. Schedule 5: Other Parties in Interest

Schedule 5(A) Other Parties in Interest – Commonwealth

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 5(B) Other Parties in Interest - ERS

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 5(C) Other Parties in Interest – PBA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the parties or people listed herein.

Schedule 5(D) Other Parties in Interest - PREPA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 5(E) Other Parties in Interest – HTA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

15. Schedule 6: Statutory Committee Members

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

16. Schedule 7: Plan Support Agreement Parties

Schedule 7(A) Plan Support Agreement Parties – Commonwealth

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 7(B) Plan Support Agreement Parties - ERS

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 7(C) Plan Support Agreement Parties – PBA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 7(D) Plan Support Agreement Parties – PREPA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 7(E) Plan Support Agreement Parties – HTA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

17. Schedule 8: Material Creditors

Schedule 8(A) Material Creditors of the Commonwealth

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico and he has a current membership with Costco Wholesale Corporation.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 8(B) Material Creditors of ERS

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 8(C) Material Creditors of PBA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 8(D) Material Creditors of PREPA

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 8(E) Material Creditors of HTA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 8(F) Material Creditors of COFINA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

18. Schedule 9: Inactive Claims

Schedule 9(A) Inactive Claims – Commonwealth

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 9(B) Inactive Claims – ERS

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 9(C) Inactive Claims – PBA

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 9(D) Inactive Claims – PREPA

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 9(E) Inactive Claims – HTA

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

Schedule 9(F) Inactive Claims – COFINA

José F. Cartaya-Morales, Esq. hereby discloses that his personal bank accounts are located with Banco Popular de Puerto Rico.

Apart from serving as local conflicts counsel to the Official Committee of Unsecured Creditors, and the professional interactions that such a position requires, José F. Cartaya-Morales, Esq. hereby certifies that, to the best of his knowledge, he has no connections with the people listed herein.

C. Procedures and Methodology applied to determine potential connections with material interested parties

To determine whether a potential connection to the material interested parties, the undersigned personally examined all Schedules and cross-referenced each material interested party with his active and inactive client base, which is in his professional database as part of his regular course of business. Moreover, the undersigned also personally cross-referenced each material interested party with his personal and additional professional relationships to ascertain the existence of and/or rule out any potential connection.

D. Statement on supplemental disclosures

Should a conflict of interest and/or any additional information relating to potential connections to material interested parties that would require disclosure arise, the undersigned certifies that a supplemental disclosure shall be filed at the earliest convenience.

Conclusion

WHEREFORE, José F. Cartaya-Morales, Esq. respectfully requests that this Honorable Court TAKE NOTICE of the present Verified Statement submitted in compliance with the disclosure requirement set forth in the Puerto Rico Recovery Accuracy in Disclosures Act, Pub. L. No. 117-82, as well as with Rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

San Juan, Puerto Rico

Dated: July 15, 2022

/s/ José Francisco Cartaya Morales
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